

EXHIBIT 1

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February 14, 2011

BY HAND and REGULAR MAIL

Richard Stern, Esq., Examiner
c/o Hughes Hubbard & Reed, LLP
One Battery Park Plaza
New York, NY 10004-1482

-and-

Hughes Hubbard & Reed, LLP
One Battery Park Plaza
New York, NY 10004-1482

**Re: In re North General Hospital, *et al.*, Debtors-in-Possession
Chapter 11 Case No. 10-13553, Jointly Administered/
Examiner's Report**

Gentlemen:

As you are aware, this firm is the Bankruptcy Court-appointed attorneys for North General Hospital, North General Service Corporation and North General Diagnostic & Treatment Center, Debtors-in-Possession (jointly, the "Debtors"), in their jointly administered chapter 11 case currently pending in the U.S. Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). We are in receipt of the Examiner's Report (the "Report"), dated January 31, 2011, on file with the Bankruptcy Court, pursuant to the Order, dated January 6, 2011, appointing Richard Stern, Esq., the Examiner in the Debtors' chapter 11 case, to investigate, among other things, "payments made by the Debtors on account of pre-petition obligations and other violations by the Debtors of their fiduciary duties".

We have reviewed the Report and the few exhibits annexed thereto and respectfully take issue with the Examiner's conclusions and recommendations resulting from the flawed investigation and findings.

Richard Stern, Esq., Examiner
Hughes Hubbard & Reed, LLP
February 14, 2011
Page 2

The Report appears to be based primarily on the unsupported statements of a certain employee or employees of the Debtors. As a result, this office has decided to prepare a Response to the Report refuting the Examiner's findings and his conclusions (the "Response"). In preparing this firm's Response, with the permission of the Board of Trustees (the "Board") of the Debtors, we have retrieved all of the pertinent time entries, email communications and other documentary evidence that exists, and which corroborates this firm's responses to the Examiner's limited inquiry and refutes the Examiner's findings and conclusions. We have also been provided with sworn affidavits from Board and corporate officers of the Debtors which also contradict the Examiner's findings and conclusions.

Due to the need to prepare and file numerous objections to proofs of claim on file in this case before a Bankruptcy Court-established deadline last week, we anticipate filing our Response by Thursday, February 17, 2011, but not later than Friday, February 18. Inasmuch as the Examiner reserved the right to supplement or modify his Report if he learned of additional relevant information, we would like to extend to the Examiner, or his counsel, the opportunity to visit our offices and review our proposed Response and the documentary evidence and sworn statements supporting the Response.

Please contact the undersigned if the Examiner or his counsel elects to avail themselves of the above invitation. Based on current schedules and obligations, we will be available from and after Wednesday, February 16, 2011.

Should you have any questions concerning the above, please do not hesitate to contact the undersigned at your earliest opportunity.

Very truly yours,

/s/ Charles E. Simpson

Charles E. Simpson

CES:mvr

cc: Hon. Shelley C. Chapman,
 U.S. Bankruptcy Judge
Tracy Hope Davis, Esq.
Andrea Schwartz, Esq.
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 of Unsecured Creditors
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 Attorneys for the Dormitory Authority
 of the State of New York